

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re: IPS WORLDWIDE, LLC Debtor.	§ § § § §	Case No. 6:19-bk-00511-KSJ Chapter 11
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**APPLICATION FOR ALLOWANCE AND PAYMENT
OF ADMINISTRATIVE EXPENSE PRIORITY CLAIM**

COMES NOW Conduent Business Services, LLC, fka Xerox Business Services, LLC, fka Affiliated Computer Services, Inc. (“**Conduent**”), by and through its undersigned counsel and, pursuant to Section 503 of the Bankruptcy Code, files this, its *Application for Allowance and Payment of Administrative Expense Priority Claim* (“**Application**”) and, in support of same, would respectfully show as follows:

I.

JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are § 365(d) (2) and § 503 of the BANKRUPTCY CODE and Rules 6006(b) and 9014 of the FEDERAL RULES OF BANKRUPTCY PROCEDURE.

II.

BACKGROUND AND RELIEF REQUESTED

2. Conduent is in the business processing outsourcing business and, in connection with such business, engages in providing numerous outsourcing services to its customers.

3. On October 17, 2011, IPS Worldwide, LLC (“**Debtor**”) and Affiliated Computer Services, Inc. (“**ACS**”) entered into that certain Master Services Agreement (“**Agreement**”), whereby ACS was to provide business process outsourcing services to Debtor. Such Agreement was for a five (5) year term, expiring on October 16, 2016. Attached hereto as **Exhibit A**, and incorporated herein by reference, is a true and correct copy of such Agreement.

4. On August 5, 2015, Debtor and Xerox Business Services, LLC, fka Affiliated Computer Services, Inc. (“**Xerox**”) entered into an Amendment to Master Services Agreement (“**Amendment**”), extending the terms of the Agreement for an additional five (5) years, expiring on October 30, 2020. Attached hereto as **Exhibit B**, and incorporated herein by reference, is a true and correct copy of such Amendment

5. Pursuant to the terms of the Agreement, Conduent invoiced Debtor for the work it performed on behalf of the Debtor, and Debtor agreed to pay such invoices within thirty (30) days of receipt of invoices from Conduent.

6. On January 25, 2019 (“**Petition Date**”), the Debtor commenced with this Court its voluntary case under Chapter 11 of Title 11 of the United States Code (“**Bankruptcy Code**”).

7. Conduent has continued to perform the agreed upon services for Debtor, and to bill Debtor for such services. As of the date of this filing, Debtor has not paid Conduent for its invoices dated July 5, 2019 and August 9, 2019, and the past-due sum of \$74,188.90 remains due and owing to Conduent. The services invoiced in July 2019 were performed in June 2019, and the services

performed in August 2019 were performed in July 2019. Debtor has breached the Agreement by the non-payment of such invoices to Conduent. Attached hereto as **Exhibit C**, and incorporated herein by reference, are true and correct copies of the unpaid post-petition invoices owed to Conduent which comprise this Claim. The amount outstanding accrues interest at the legal rate of interest per month.

8. Conduent's claim consists of all actual damages incurred by the non-payment of its invoices by the Debtor. Such claim is based upon an open account, breach of contract, *quantum meruit* and promissory estoppel, and constitutes an administrative expense priority claim against the Debtor provided by the BANKRUPTCY CODE and applicable law. Costs of collection, attorney's fees, and other associated costs, fees and expenses continue to accrue, except to the extent prohibited by the BANKRUPTCY CODE and applicable law.

9. Based on the foregoing, as well as the fact that Debtor has continued to benefit from the services provided by Conduent to Debtor post-petition, Conduent is entitled to the allowance and payment of an administrative expense priority claim in the amount of **\$74,188.90** which remains due and owing to Conduent.

10. Conduent reserves the right to amend or supplement this Administrative Claim at any time and for any reason, including, without limitation: (a) to increase or otherwise adjust the total claim amount or any component thereof, as a result of additional information or otherwise; (b) to revise the estimated amounts or substitute actual amounts for estimated amounts; or, (c) to revise any of the statements and information contained herein or to add new information and/or documents relating to the claim asserted hereby.

11. The filing of this Administrative Claim is not an election of remedies, and Conduent does not waive, and expressly reserves, any and all rights it may have under the Agreement with

Debtor and/or any applicable law and/or claims asserted hereby, including against the Debtor or any of the Debtor's affiliates or guarantors of the debt.

WHEREFORE, PREMISES CONSIDERED, Conduent Business Services, LLC, fka Xerox Business Services, LLC, fka Affiliated Computer Services, Inc. respectfully requests that the Court grant its *Application for Allowance and Payment of Administrative Expense Priority Claim*; enter an Order awarding the allowance and directing immediate payment of Conduit's administrative expense priority claim against the Debtor in the amount of **\$74,188.90**, and for such other and further relief to which the Court may deem just and appropriate.

DATED: January 10, 2020

Respectfully submitted,

KELLEY KRONENBERG

By: /s/ Dennis J. LeVine
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ATTORNEYS FOR:
CONDUENT BUSINESS SERVICES, LLC, FKA XEROX
BUSINESS SERVICES, LLC, FKA AFFILIATED
COMPUTER SERVICES, INC.

CERTIFICATE OF SERVICE

I hereby certify that Notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District, and to the parties listed below and on the attached Service List via first class mail, postage prepaid, on this 10th day of January, 2020.

<u>Debtor:</u> IPS Worldwide, LLC 265 Clyde Morris Blvd., Suite 100 Ormond Beach, FL 32174	<u>Counsel for Debtor:</u> Scott W Spradley Law Offices of Scott W Spradley PA PO Box 1 109 South 5th Street Flagler Beach, FL 32136
<u>US Trustee:</u> Audrey M. Aleskovsky Charles R. Sterbach Office of the US Trustee 400 W. Washington Street, Suite 1100 Orlando, FL 32801	<u>Counsel for Official Committee of Unsecured Creditors:</u> Bradley M. Saxton Winderweede, Haines, Ward & Woodman 329 Park Avenue North, Second Floor Winter Park, FL 32789
<u>Chapter 11 Trustee:</u> Alex D. Moglia Muglia Advisors 1325 Remington Road, Suite H Schaumburg, IL 60173	<u>Counsel for the Trustee:</u> R. Scott Shaker Latham, Shaker, Eden & Beau dine, LLP 111 North Magnolia Ave., Suite 1400 Orlando, FL. 32801

/s/ Dennis J. LeVine
Dennis J. LeVine

Attached Creditor Matrix

NOTE – since the exhibits are voluminous, copies of the exhibits are available to any creditor on the attached creditor matrix who sends a request to Michelle E. Shriro at mshriro@singerlevick.com